

Quarterly Investor Report:

November 2020

Quarter ended 30 September 2020

Target Healthcare REIT plc and its subsidiaries ('the Group') is a leading investor in modern purpose-built UK care homes with wet rooms. The Group aims to provide investors with an attractive quarterly dividend generated from a portfolio diversified by tenant, geography and end-user payment profile.

Group at a glance



Properties
75



Beds
5,211



Tenants
27



Contracted rent
£40.6m



Property Value
£637.5m



Overview		Key ratios & financials	
Launch date	March 2013*	Investment properties	£637.5 million
ISIN	GB00BJGTLF51	Drawn debt	£152.0 million
SEDOL	BJGTLF5	EPRA NAV	£493.9 million
Company name	Target Healthcare REIT plc	EPRA NAV per share	108.0 pence
Registered number	11990238	Quarterly NAV total return (including dividend)	1.5%
Expected quarterly dividend	Feb/May/Aug/Nov	Quarterly Group specific adjusted EPRA earnings per share	1.33 pence
Financial year end	30 June	Quarterly dividend per share	1.68 pence
Currency	Sterling	Dividend yield (13/11/2020)	5.9%
Website	www.targethealthcarereit.co.uk	Loan-to-Value ('LTV')**	23.8% (gross); 21.1% (net)
Ordinary share class as at	13/11/2020	Management fee rate	1.05% up to £500m NAV 0.95% of £500m - £750m NAV 0.85% of £750m - £1,000m NAV 0.75% of £1,000m - £1,500m NAV 0.65% of £1,500m + NAV
Shares in issue	457,487,640	WAULT	28.9 years
Share price	114.0 pence		
Market cap	£521.5 million		
Share price premium to EPRA NAV	5.6%		

* originally launched as Target Healthcare REIT Limited (Jersey registered: 112287)

**Gross LTV calculated as total gross debt as a proportion of gross property value. Net LTV calculated as total gross debt less cash, as a proportion of gross property value

Recent news

COVID-19 Update

The Group has received positive feedback from care home managers that the standard of the real estate has made a notable difference in the ability to manage the homes through the pandemic, in particular the provision of private en-suite wet-rooms. Whilst our tenants remain vigilant to the ongoing threat of the pandemic, we are encouraged by the relatively low levels of COVID-19 prevalence our tenants are currently reporting. We would, however, expect infection rates to increase, as it has across the general population recently, but believe the combination of robust protocols, additional safety equipment, stable guidance from the authorities, and the experience of our tenants places them well to manage further challenges. Our tenants are focused on enabling safe visiting, caring for residents and admitting new residents safely.

Performance

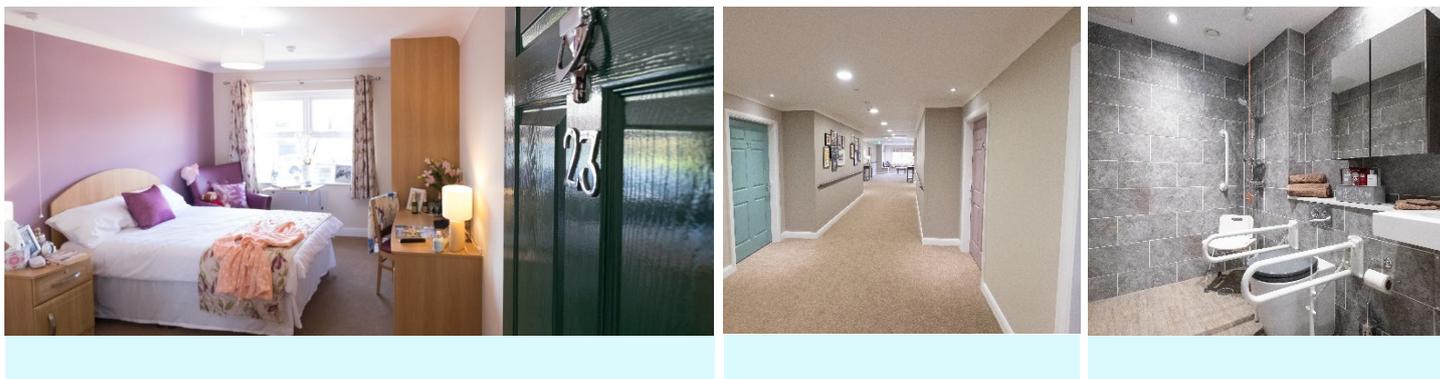
The portfolio value increased by 3.2% over the quarter. Of this, 2.4% was derived from acquisitions, 0.3% from investment into our development portfolio and a positive like-for-like movement in the operational portfolio value of 0.5%, reflecting the impact of inflation-linked rental reviews.

Asset Management and Acquisitions

During the quarter the Group completed the acquisition of a 66-bed new-build care home in Bicester, Oxfordshire, let to Ideal Carehomes and oversaw the practical completion of the pre-let site in Burscough, Lancashire, in July 2020, delivering an 80-bed care home. Near the quarter end, the Group acquired a pre-let development site, subject to a forward funding agreement, to construct a 72-bed care home in Chesterfield, Derbyshire.

Pipeline

The investment market for high-quality, modern, fit-for-purpose assets which meet the Group's investment criteria remains competitive. We are witnessing strong appetite from market participants, including some new entrants. The best properties continue to transact at the pricing levels seen prior to the COVID-19 pandemic. The Investment Manager is analysing several potential acquisitions and has a pipeline of acquisitions covering both the near and longer term.



Summary balance sheet

£m	Sept-20	Jun-20
Property Portfolio***	637.5	617.6
Cash	17.5	36.4
Net current assets/(liabilities)	(9.1)	(7.7)
Bank Loans	(152.0)	(152.0)
Net assets	493.9	494.3
EPRA NAV per share (pence)	108.0	108.1

***Ignores the effect of fixed/guaranteed rent reviews. See note 9 to the Annual Report 2020 for full details.

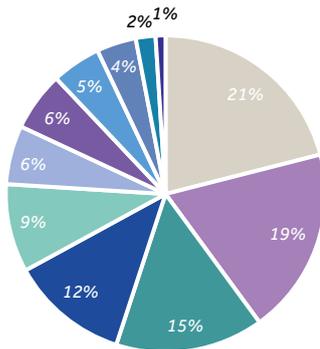
Performance – NAV and share price total return



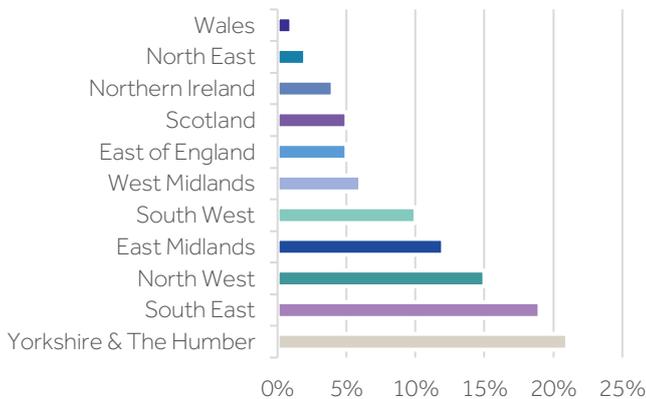
Portfolio summary at 30 September 2020



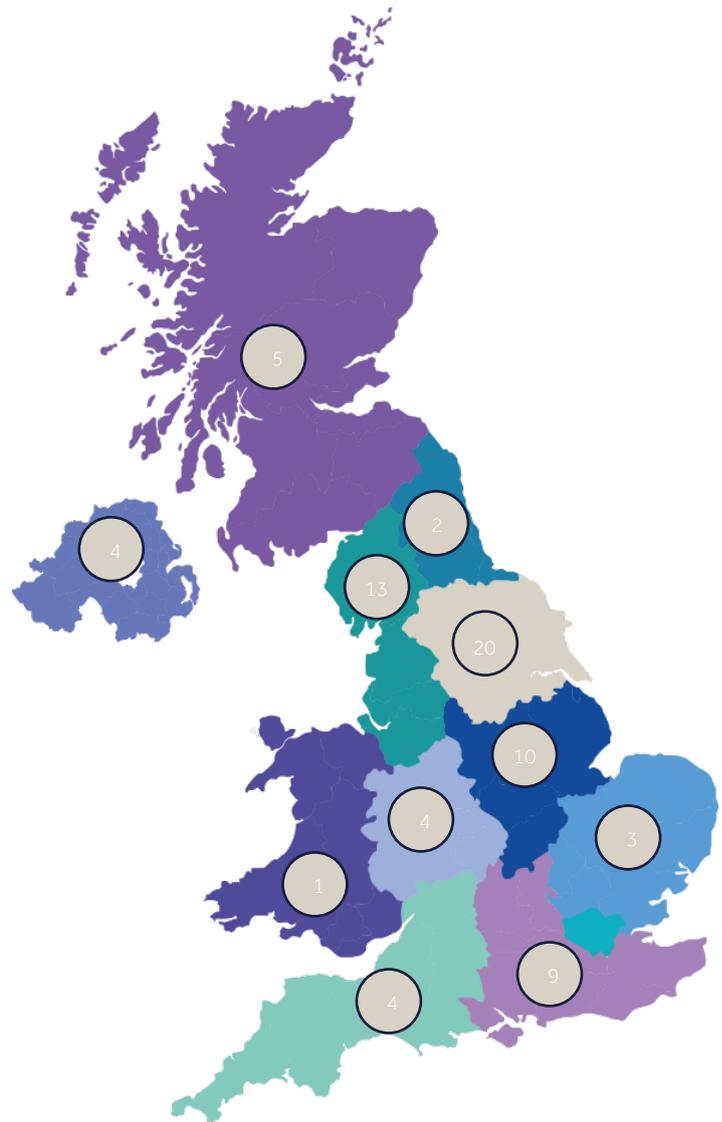
Contracted rent by geographic region



Valuation by geographic region (including developments)



Number of properties by geographic region



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